

FY 12 Capital Budget Proposal

Presentation to the Board

December 14, 2011

Executive Summary

- Board-approved FY12 capital budget included \$391million, based on broad categories of work, but specific projects not defined at that time.
- Also seek \$269 million appropriation for externally-funded projects (for a total of \$660 million)
- We have gone through a rigorous process to assess and prioritize needs to improve the learning environment for maximum number of students
- For FY13, the capital budget will be presented on or before May 1, 2012
- By September 30, 2012, we will report actual vs. proposed spend

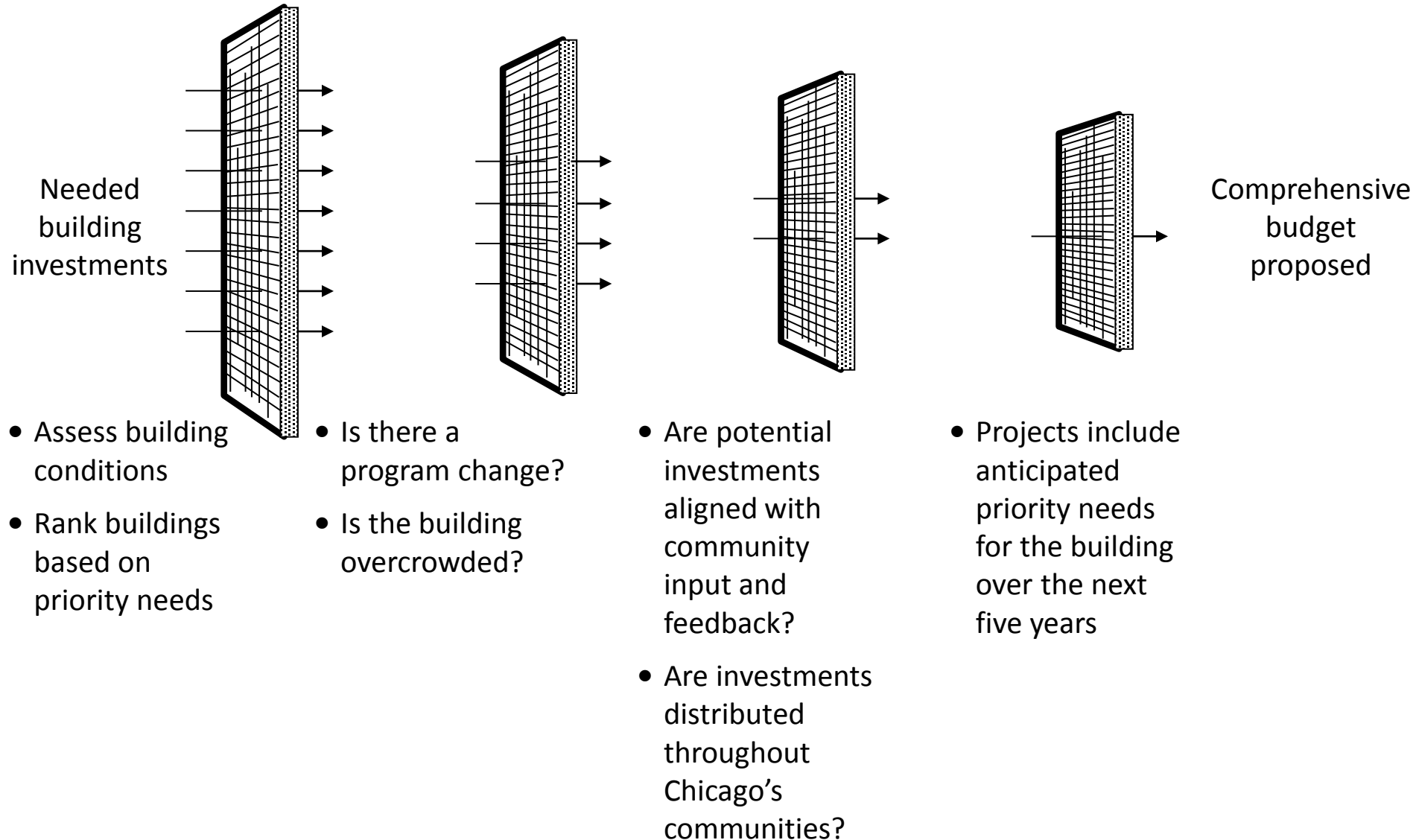
Capital funding is used to support our facilities and enhance our educational programming

- The Capital Program is used to support the facilities and physical assets used to deliver educational programming:
 - Investments to provide capacity in areas suffering from overcrowding
 - Improvements to buildings to provide a positive learning environment (warm, safe, and dry)
 - Acquisition of physical assets to support programs – for example, special build-outs for career and technology laboratories
 - Upgrades to buildings to make them accessible to people with disabilities

Support comes from multiple sources

	Amount (\$ millions)
Sources	\$659.9
Board Bond Proceeds	\$374.1
City of Chicago	\$177.9
State of Illinois	\$98.0
Federal Communications Commission (E-rate)	\$9.9
Uses	\$659.9
FY 12 New Capital Program	\$391.1
Projects Not Fully Reflected in Prior Capital Budgets	\$268.8

Projects were selected using a rigorous filtering process



Project definition and budget process is thorough

Assessment

- Determine building condition and need through formal assessments by Architects and Engineers
- Prioritize and rank needs on condition of critical building components (roof, exterior walls, mechanical, electrical and plumbing systems)
- Scope highest need projects to include critical needs over 5 years and code compliance
- Develop preliminary project budget
- Refine budget with formal scope of work

Proposed project budget

Since August, we have refined our priorities based on this new screening and selection process

(\$ millions)	August	November
Building interior	\$36.1	\$89.5
Major renovations	\$158.1	\$81.8
Exterior envelope	\$3.2	\$76.0
Management: consulting services, 2013 design fees, project management software, assessment fees	\$28.6	\$30.2
Facility additions	\$30.0	\$30.0
Contingency	\$30.5	\$22.8
Departmental projects: IT, Nutrition, Safety/Security	\$35.0	\$19.7
Supplemental facility renovation	\$12.0	\$12.0
Mechanical & electrical	\$10.0	\$10.5
Early childhood construction program	\$9.0	\$9.0
Facility site improvements	\$4.6	\$4.6
Energy efficiency program	\$4.0	\$4.0
Career, Tech Ed, and Other	\$30.0	\$0.0
SUBTOTAL	\$391.1	\$391.1

Transparency now increased by including projects not fully reflected in prior capital budgets

Proposed project	Funding Source	Investment amount (M)
Jones College Prep	City of Chicago: MSAC/New Construction	\$96.0
Chicago Vocational and Career Academy	IL Capital Development Board	\$75.0
SE Area Elementary School	City of Chicago: MSAC/New Construction	\$45.0
Al Raby High School	City of Chicago: MSAC/New Construction	\$22.0
Bell Elementary School	IL Capital Development Board	\$10.0
Based on Funding Source	TIF, Various	\$10.0
IT E-Rate LAN improvements	Federal Comm. Commission	\$9.9
Early Childhood Grants	IL Capital Development Board	\$0.9
Subtotal		\$268.8

Projects in detail

Management: \$30.2M

- \$15M: Consulting services
- \$10M: Design for 2013
- \$4.1M: Assessment fees and tool
- \$1M: Project mgmt software

Mechanical & electrical: \$32.5M

- Al Raby
- Dixon

Departmental projects: \$29.6M

- IT services*
- Nutrition support
- Safety & security cameras at 14 high schools

Contingency: \$22.8

Other grants: \$10M

Supplemental renovations: \$12.0M

Early childhood: \$9.9M

- Camras
- Hanson Park
- McCormick
- Locke

Site improvements: \$4.6M

- Clark Park*
- Groundbreakers play lots

Energy efficiency grant: \$4.0M*

New facility construction: \$181.0M

- Edison Park
- Hale
- Jones College Prep
- SE Area ES
- Bell

Building envelope: \$160M

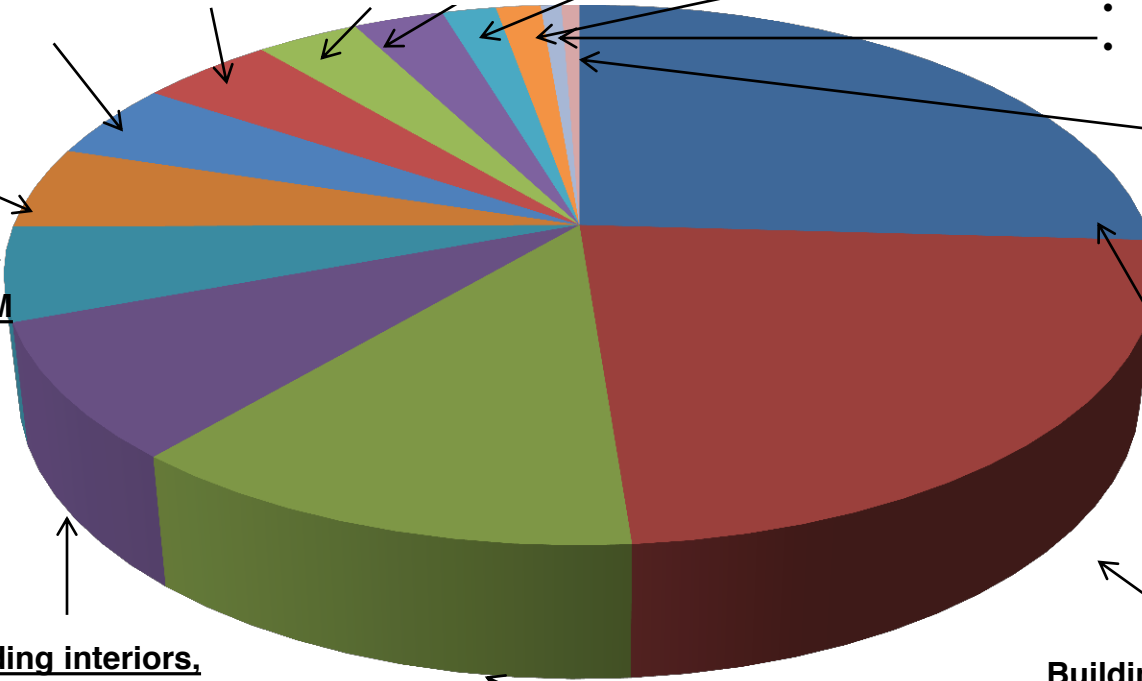
- Cameron
- Casals
- CVCA
- Herzl
- Marsh
- Mt. Vernon
- Murray
- Rogers
- Roosevelt
- Seward
- Smith

Major renovations: \$81.8M

- Brown Academy
- Burbank
- Carver Military
- Lee
- Morgan Park HS

Building interiors, ADA: \$44.7M

- Carver
- Military
- Chappell
- Doolittle/Chi-Arts
- Galileo
- Hayt*
- Hearst*
- Lathrop
- Nash



Roosevelt High School: Building Envelope



Morgan Park High School: Major Renovation



Some Prior Projects: Before and After O'Toole



Before and After: Hay



We have a new approach to capital investments and planning

- Part of an overall, multi-year strategy
- Rigorous screening and selection process leads to solid investment decisions
- Increased transparency in identifying specific projects
- Annual reporting of actual versus budgeted expenditures

Appendix

- Project list
- Investment type definitions
- Priority index calculation

This full capital program is funded through variety of funding sources

Source	Program	Description	Amount (\$ millions)
Chicago Board of Education	Bond Proceeds	Tax-exempt bond proceeds. Bonds issuance will occur over several years based upon anticipated cash flow needs.	\$374.1
City of Chicago	MSAC/New Construction	New construction projects funded by General Obligation bond proceeds or TIF revenues.	\$163.0
	TIF Funding	Various projects paid for with City of Chicago TIF revenues.	\$10.0
	ADA TIF Funding	A 5-year, \$14.25M building accessibility renovation program funded by the City of Chicago, initiated October 2009.	\$4.9
IL Capital Development Board	School Construction Pgm & State Funds	Covers Costs Associated with Renovation and Construction at CVCA, Bell.	\$85.0
	Early Childhood Construction Grant	Grant for early childhood centers /providers in underserved neighborhoods.	\$9.0
	Energy Efficiency Grant	Grants to School Districts for Energy Efficiency Projects (via CDB).	\$4.0
Federal Comm. Commission	E-Rate	Reimburses IT providers for discounts provided to schools and libraries.	\$9.9
Total FY12 Capital Program Sources			\$659.9

New Construction and Facility Additions

School	Budget	Comments
<i>FY12 Proposed</i>		
Jones College Prep (871 students)	\$96.0M	\$24M of funding was budgeted and appropriated in FY10. This appropriation would bring total appropriation level to \$120M. Jones College Prep is a MSAC Project.
Southeast Area Elementary School (1200 students)	\$45.0M	\$11M of funding was budgeted and appropriated in FY10 for land acquisition and preparation. This additional appropriation will cover the full anticipated project budget.
Edison Park (428 students)	\$15.0M	Edison Park has 428 students in a building with an ideal enrollment of 294. It is therefore considered to be 42% overenrolled based on SY2011/12 enrollment. There is no also additional capacity available at neighboring schools.
Hale (864 students)	\$15.0M	Hale has 864 students in a building with an ideal enrollment of 528 students. It is therefore considered 64% over enrolled. There is also no additional capacity available at neighboring schools.
Bell (990 students)	\$10.0 M	\$10 million in funding was set aside through the state School Construction program for an annex at the Bell School. Bell currently has 990 students enrolled in 3 programs (neighborhood, Gifted, Hearing Impaired) and inadequate educational spaces including Special Education pull-out rooms, a lunchroom and library.
<i>SUBTOTAL FY12 PROPOSED</i>	<i>\$181.0M</i>	

Major Renovations

School	Budget	Priority Index	Water Intrusion	Windows	Roof	Masonry/ Structural	Boiler Age >50yrs	No Redundancy	Boiler Auxiliaries	Scope
<i>FY12 Proposed</i>										
Brown Academy (283 students)	\$9.7M	92	X		X	X		X	X	<ul style="list-style-type: none"> • Roof replacement, masonry reconstruction • Boiler replacement, A/C, BAS • Interior finishes • ADA elements
Burbank (1,132 students)	\$15.0M	88	X	X	X	X	X		X	<ul style="list-style-type: none"> • Roof replacement, masonry reconstruction, window replacement • Boiler replacement, dehumidification, BAS, emergency generator, piping replacement • Interior finishes • ADA elements
Carver Military (532 students)	\$28.5M	80	X	X	X	X		X		<ul style="list-style-type: none"> • Roof replacement, curtain wall system replacement • Mechanical upgrade (42 new rooftop units) • Full ADA accessibility
Lee (829 students)	\$7.0M	82	X	X		X	X		X	<ul style="list-style-type: none"> • Masonry reconstruction, window replacement • Boiler replacement, dehumidification, BAS • Interior finishes • ADA elements
Morgan Park HS (1,571 students)	\$21.6M	92	X		X	X	X		X	<ul style="list-style-type: none"> • Roof replacement, masonry reconstruction, partial window/curtain wall replacement • Boiler replacement, dehumidification, BAS • Interior finishes • ADA elements
<i>SUBTOTAL</i>	<i>\$81.8M</i>									
<i>FY12 Proposed</i>										

School	Budget	Priority Index	Water intrusion	Windows	Roof	Masonry/ Structural	Scope
<i>FY12 Proposed</i>							
Cameron (822 students)	\$10.5M	88	X		X	X	<ul style="list-style-type: none"> Roof replacement, masonry reconstruction Interior finishes, expansion and renovation of dining facilities ADA elements
Casals (504 students)	\$5.0M	82	X			X	<ul style="list-style-type: none"> Envelope repairs Interior finishes including painting, flooring and lighting upgrades
CVCA (827 students)	\$75.0M	88	X	X	X	X	<ul style="list-style-type: none"> Roof replacement, Windows, masonry reconstruction OCCP Program Enhancements Address Anthony wing
Herzl (512 students)	\$9.0M	50	X		X		<ul style="list-style-type: none"> Entrances, ADA parking and signage, emergency generator Select toilet rooms, new drinking fountains, new classroom door hardware Elevator, fire alarm upgrades Roof replacement , masonry repairs
Marsh (834 students)	\$2.6M	68	X			X	<ul style="list-style-type: none"> Escalated due to special assessment Masonry and structural repair/rebuild Interior finishes
Mount Vernon (290 students)	\$8.4M	60	X			X	<ul style="list-style-type: none"> Masonry reconstruction Interior finishes ; ADA elements

School	Budget	Priority Index	Water intrusion	Windows	Roof	Masonry/ Structural	Scope
<i>FY12 Proposed</i>							
Murray (533 students)	\$5.5M	82	X				<ul style="list-style-type: none"> Masonry repairs, New windows, new roof, replace unit ventilators, interior finishes ADA elements
Rogers (730 students)	\$9.7M	92	X			X	<ul style="list-style-type: none"> Masonry reconstruction, Window replacement Interior finishes, new fire alarm ADA elements
Roosevelt HS (1,497 students)	\$23.0M	92	X	X	X	X	<ul style="list-style-type: none"> Partial Roof replacement, masonry reconstruction, window replacement Interior finishes; ADA elements
Seward (893 students)	\$5.5M	76	X				<ul style="list-style-type: none"> Masonry repairs New roof and windows Interior finishes ADA elements
Smith (364 students)	\$5.8M	72	X			X	<ul style="list-style-type: none"> Painting, lighting and flooring upgrades Emergency lighting Roof replacement Playlot
<i>Subtotal FY12 Proposed</i>	<i>\$160.0M</i>						

Building Interiors, Interior Upgrades

School	Budget	Scope
<i>FY12 Proposed</i>		
Bond (343 students)	\$1.5M	<ul style="list-style-type: none"> • Painting, lighting upgrades • Emergency lighting • Lockers
Crane (638 students)	\$7.3M	<ul style="list-style-type: none"> • Painting, flooring and lighting upgrades
Fuller (239 students)	\$3.2M	<ul style="list-style-type: none"> • Painting, lighting and flooring upgrades • Emergency generator • Lockers • Playlot
Marquette (1,385 students)	\$4.0M	<ul style="list-style-type: none"> • Lighting upgrades • Partial flooring repairs
Piccolo (541 students)	\$3.5M	<ul style="list-style-type: none"> • Painting, lighting and flooring in the main building • Emergency generator • Lockers • Playlot
Stagg (538 students)	\$1.0M	<ul style="list-style-type: none"> • Painting, flooring and lighting upgrades • Playlot
Woodson (329 students)	\$0.2M	<ul style="list-style-type: none"> • Playlot
<i>SUBTOTAL Building Interiors</i>	<i>\$20.7M</i>	

Building Interiors, Pathways to College and Career Programs

School	Budget	Type of Lab
<i>FY12 Proposed</i>		
Lindblom (908 students)	\$0.3M	• IT, Pre-engineering
Richards (473 students)	\$1.2M	• LPSA, Culinary, Business
Roosevelt (1,497 students)	\$1.1M	• Early Childhood, Culinary and Hospitality, IT
Schurz (2,364 students)	\$0.6M	• Digital Media, Pre-Engineering
Simeon (1,533 students)	\$1.3M	• Early Childhood, Culinary, Human Services, Business, Architecture, IT
Sullivan (827 students)	\$0.4M	• Business
New Career Academies	\$0.8M	• Furniture investments
New IBM Programs/Schools	\$8.3	• Capital investments to support the creation of IBM programs and schools
<i>SUBTOTALY FY12 Proposed CTE</i>	<i>\$14.0M</i>	

Building Interiors, Program Expansions

School	Budget	Scope	Comments
<i>FY12 Proposed</i>			
Cameron (822 students)	\$1.0M	<ul style="list-style-type: none"> • Interior finishes • expansion and renovation of dining facilities • ADA elements 	This school does not have adequate kitchen and lunchroom facilities. 2 classrooms will be used to create additional space for students and faculty.
Other program expansions	\$1.1	<ul style="list-style-type: none"> • Furniture 	Schools that are adding grades require new furniture for the additional students.
<i>SUBTOTAL FY12 Proposed Expansions</i>	<i>\$2.1M</i>		

Building Interiors, ADA

(page 1 of 2)

School	Budget	Unique Program	Geographic need	Scope
<i>FY12 Proposed</i>				
Chappell (TIF*) (446 students)	\$2.8M		X	<ul style="list-style-type: none"> Entrances, ADA parking and signage, new play lot and turf field Toilet rooms, new drinking fountains, new classroom doors An elevator, new fire alarm, stage lift
Doolittle/Chi-Arts	\$5.2M	X		<ul style="list-style-type: none"> Painting, flooring and lighting upgrades Partial lockers ADA accessibility (elevators)
Hayt (TIF) (993 students)	\$2.7M		X	<ul style="list-style-type: none"> Entrances, ADA parking and signage Toilet rooms, new drinking fountains, new classroom doors, An elevator, fire alarm upgrades, auditorium floor re-sloping
Hearst (TIF) (362 students)	\$3.0M		X	<ul style="list-style-type: none"> Entrances, ADA parking and signage Toilet rooms, new drinking fountains, new classroom doors, library renovation An elevator, new fire alarm
Lathrop	\$3.4M	X		<ul style="list-style-type: none"> Painting, flooring and lighting upgrades Envelope repairs ADA accessibility (elevators)
Nash	\$13.0M	X		<ul style="list-style-type: none"> ADA accessibility (elevators) Painting, flooring and lighting upgrades in the main and annex
Peterson (TIF) (856 students)	\$2.2M		X	<ul style="list-style-type: none"> Entrances, ADA parking and signage, new play lot and turf field Toilet rooms, new drinking fountains, new classroom doors An elevator, stage lift

*TIF means that a project has TIF funding

Building Interiors, ADA

(page 2 of 2)

School	Budget	Unique Program	Geographic need	Scope
<i>FY12 Proposed</i>				
Carver Military (Non-TIF) (532 students)	\$7.5M	X		<ul style="list-style-type: none"> Entrances, ADA parking and signage, emergency generator Toilet rooms, locker rooms, new drinking fountains, new classroom doors An elevator retrofit, fire alarm upgrades, auditorium renovations
Galileo (Non-TIF) (608 students)	\$4.4M	X		<ul style="list-style-type: none"> Entrances, ADA parking and signage Toilet rooms, new drinking fountains, new classroom doors, interior ramps An elevator, new fire alarm, stage lift
Student accommodations	\$0.5			<ul style="list-style-type: none"> Projects to be determined based on need
<i>SUBTOTAL FY12 Proposed ADA</i>	<i>\$44.7M</i>			

Departmental Projects, Security cameras* (page1 of 2)

School	Budget	Scope
<i>FY12 Proposed</i>		
Clemente (1,007 students)	\$0.5M	High Definition Security Camera System including cameras, wiring, monitoring equipment
Bogan (1,658 students)	\$0.5M	
Hyde Park (1,513 students)	\$0.5M	
Sullivan (827 students)	\$0.5M	
Morgan Park (1,571 students)	\$0.5M	
Orr (823 students)	\$0.5M	
Marshall (730 students)	\$0.5M	
Dunbar (1,462 students)	\$0.5M	
Tilden (463 students)	\$0.5M	
Wells (630 students)	\$0.5M	
Senn (1,051 students)	\$0.5M	
Juarez (1,683 students)	\$0.5M	
Farragut (1,453 students)	\$0.5M	
Julian (1,224 students)	\$0.5M	
DVR/Camera Replacement	\$0.7M	
<i>SUBTOTAL FY12</i>	<i>\$7.7M</i>	
<i>Proposed Security</i>		

*Projects selected by OSS based on Arrest data, Index Crimes reported by FBI/CPD, Severe Misconducts, and gang conflict

Departmental Projects *(page 2 of 2)*

Department	Budget	Description
<i>FY12 Proposed</i>		
Information and Technology Services	\$18.0M	LAN, WAN and Hyperion projects. The LAN project will refresh wired and wireless LAN electronics at 120 schools. The WAN project will replace key core networking equipment to accommodate network bandwidth growth from the schools. Hyperion is a replacement of the Oracle public sector budgeting application with Hyperion planning and budgeting applications. LAN and WAN projects both receive E-Rate funding.
Nutritional Support	\$3.9M	With over 600 kitchens operating on a daily basis replacement of existing non-functioning equipment is an ongoing capital need. Current total need estimated at over \$7 million.
<i>Subtotal</i>	<i>\$21.9M</i>	
<i>FY 12 Proposed ITS and Nutritional Support</i>		

Mechanical & Electrical

School	Budget	Priority Index	Boiler Age >50yrs	No Redundancy	Boiler Auxiliaries	Scope
<i>FY12 Proposed</i>						
Dixon (650 students)	\$10.5M	92	X		X	<ul style="list-style-type: none"> Emergency generator Boiler replacement, dehumidification, BAS Interior finishes ADA elements
Al Raby (536 students)	\$22.0M	46	X		X	<ul style="list-style-type: none"> Emergency generator Boiler replacement, dehumidification, BAS Interior finishes ADA elements
<i>SUBTOTAL FY12 Proposed</i>	<i>\$32.5M</i>					

Early Childhood Construction Grant

School	Budget	Scope
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FY12 Proposed

Camras (823 students)	\$0.5M	For the first time, the IL Capital Development Board is providing grants to early childhood centers and providers in order to increase early childhood services in underserved neighborhoods.
Hanson Park ES (1,489 students)	\$2.3M	
McCormick ES (892 students)	\$0.9M	
Locke ES (1,303 students)	\$1.8M	
Community based projects	\$4.5M	
<i>SUBTOTAL FY12 Proposed Early Childhood</i>	<i>\$9.9M</i>	

Appendix

- Project List

- Investment type definitions

- Priority index calculation

Investment Type definitions *(page 1 of 2)*

Investment Type	Definition	Becomes priority when:
Major renovations	These renovations include both an exterior envelope (roofs, windows, masonry repairs/reconstruction) and mechanical (boiler replacement, A/C or dehumidification upgrades, Building Automation System) projects	<ul style="list-style-type: none"> • Active leaks • Structural problems • Envelope failure: roof, masonry, windows • Boiler age >50 • No boiler redundancy • Boiler auxiliaries in poor condition
Building interior	Includes ADA investments which are aimed towards the long-term goal of ensuring students have access to accessible facilities within 1.5 miles; program build outs; and programmatic expansions based on current enrollment or approved programmatic expansions	<ul style="list-style-type: none"> • Geographic distribution • New programs/grades • Programmatic Deficiencies
Departmental projects	Includes projects for departments that support the educational mission (i.e., ITS, Nutritional Support, Transportation, Safety)	<ul style="list-style-type: none"> • Operational efficiencies • Safety
Contingency and change orders	Addresses issues at schools identified throughout the year based on school/community input or prior year projects with significant discovered conditions. Masonry, environmental conditions/abatement, and ADA requirements are primary drivers.	<ul style="list-style-type: none"> • Life safety issues • District Priorities • Project complexities
Facility additions	Includes schools in need of additional capacity to address long term demographic or programmatic trends	<ul style="list-style-type: none"> • Additional neighborhood capacity unavailable

Investment Type definitions *(page 2 of 2)*

Investment Type	Definition	Becomes priority when:
Management	Includes costs for Consultants and software to support the development and implementation of the Capital Improvement Program (CIP); includes 2013 design fees	<ul style="list-style-type: none"> • Drives quality and efficiency improvements
Supplemental facility renovation	Includes targeted capital projects at schools to supplement the work of the CIP and to support initiatives of the Collaboratives	<ul style="list-style-type: none"> • Comprehensive projects are not required to resolve identified needs
Mechanical & electrical	Includes projects to address boiler replacement and A/C or dehumidification upgrades	<ul style="list-style-type: none"> • No redundancy • Boiler age >50 years • Boiler auxiliaries in poor condition
Early childhood	Includes projects to increase capacity or improve safety or programming of early childhood facilities	<ul style="list-style-type: none"> • Grant funding has been allocated
Facility site improvements	Includes projects that address site conditions (i.e., Playgrounds, demolition of field houses/modulars in disrepair, turf fields)	<ul style="list-style-type: none"> • Inadequate play space • Structure in disrepair create safety issues
Energy efficiency program	Includes projects to improve the efficiency and quality of lighting at schools	<ul style="list-style-type: none"> • Grant funding has been allocated
Exterior envelope	Includes projects to address roofs, masonry, windows, structural issues and exterior doors	<ul style="list-style-type: none"> • Active leaks • Structural problems • Envelope failure: roof, masonry, windows

Appendix

- Project list
- Investment type definitions
- Priority index calculation

Detailed approach to prioritization

Criteria	Description	Educational rationale	Weight
1 A. Building condition	<ul style="list-style-type: none"> Envelope assessment rating (Phase I - includes crumbling exterior and presence of netting/canopy) Mechanical assessment rating (Phase II) 	<ul style="list-style-type: none"> Most prominent factor in ensuring basic safety for students 	80%
	B. Factors affecting positive learning environment and student comfort <ul style="list-style-type: none"> Redundancy of boilers Temperature controls Dim lighting 	<ul style="list-style-type: none"> Students are more ready to learn when they are in a comfortable environment 	20%
2 Project selection within a school building	<ul style="list-style-type: none"> For schools with less severe investment needs, examine projects on a school-by-school basis to determine project implementation timeline Apply a 5-year timeframe to ensure all required work completed over 5 years with minimal disruption to the school 	<ul style="list-style-type: none"> For schools with several investment needs of varying degree of severity, only the most significant needs receive funding 	N/A
3 Exceptions	<ul style="list-style-type: none"> Potential school action in the short-term Other funding sources available (e.g., matching funds from TIF, etc) Special strategic projects (e.g., projects identified by leadership and key stakeholders in line with strategy) Other financial factors and considerations (e.g., a given school's total investment requirement a significant share of annual budget allocation) 	<ul style="list-style-type: none"> Flexibility required to respond to CPS priorities as necessary 	N/A